



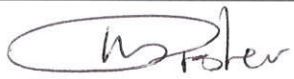

**mictseta**

Media, Information and Communication Technologies  
Sector Education and Training Authority

Accelerating quality skills towards an information savvy society

### WHISTLE BLOWING POLICY

<b>Process:</b>	Fraud Prevention
<b>Policy Number:</b>	POL-CORP-WB-01
<b>Effective Date:</b>	2015-06-01
<b>Version:</b>	3

<b>Recommended by:</b>	Tania Vorster
<b>Designation:</b>	Board Secretary
<b>Signature:</b>	
<b>Recommended by:</b>	Oupa Mopaki
<b>Designation:</b>	Chief Executive Officer
<b>Signature:</b>	
<b>Approval Date:</b>	28/05/2015

## TABLE OF CONTENTS

1. BACKGROUND .....	3
2. PURPOSE .....	3
3. SCOPE .....	4
4. REFERENCE .....	4
5. DEFINITIONS .....	4
6. WHY DO WE NEED TO WHISTLE-BLOW? .....	6
7. HOW TO REPORT AN ISSUE.....	7
8. TOLL FREE ANTI-CORRUPTION HOTLINE NUMBER.....	7
9. HOW TO ESCALATE IF MATTER IS NOT RESOLVED SATISFACTORILY .....	7
10. ASSURANCE TO EMPLOYEES .....	7
11. MANAGEMENT ROLES .....	7
12. CREATING AWARENESS.....	8
13. WHAT MOTIVATES EMPLOYEES TO COMMIT FRAUD?.....	9
14. HOW CAN I TELL IF ANOTHER EMPLOYEE IS COMMITTING FRAUD? .....	9
15. MICT SETA WHISTLE- BLOWING POLICY STATEMENT .....	10
16. MONITORING, EVALUATION AND REPORTING.....	10
17. REVIEW OF THE POLICY.....	10
18. AMENDMENT HISTORY TABLE.....	11



## 1 BACKGROUND

The Protected Disclosures Act, 2000 (The Act) became effective on 1 February 2000. It provides protection to employees for disclosures made without malice and in good faith, under certain defined circumstances. This Act sets out clear and simple framework to promote responsible whistle-blowing by:

- Reassuring workers that silence is not the only safe option;
- Providing strong protection for workers who raise concerns (internally);
- Reinforcing and protecting the right to report concerns to the public protection agencies such as the Public Protector and Auditor General; and
- Protecting more general disclosures provided that there is valid reason for going wider and the particular disclosure is a reasonable one.

At its core, the Act contains simple principles that it is in the common interest of both the employer and the responsible potential whistle-blower (employee) to blow the whistle internally within a Department rather than to the media.

Whistle-blowing is important because it can be seen as serving as an early warning system to avert possible risks to the organisation. An effective policy to encourage whistle-blowing enables employers to find out when something is going wrong in time to take the necessary corrective action.

The Act makes provision for procedures in terms of which employees in both the Public Sector and Private Sector who disclose information of unlawful or corrupt conduct by their employers or fellow employees are protected from occupational detriment. This law is to encourage honest employees to raise concerns and report wrong doing within the workplace without fear.

## 2 PURPOSE

The purpose of this document is to promote a whistle-blowing culture and provide guidance on how to report alleged corruption, fraud and maladministration.

### 3 SCOPE

3.1 This policy applies to the activities of the MICT SETA in all the regions.

3.2 There are existing grievance procedures in place within MICT SETA to enable employees to raise grievances relating to their employment; however this Policy is intended to cover concerns that fall outside the scope of grievance procedures.

### 4 REFERENCE

4.1. Public Finance Management Act, Act 1 of 1999

4.2. Protected Disclosure Act, 26 of 2000

4.3. A guide for Public Sector Manager

4.4. Corruption Act, Act 94 of 1992

4.5. Public Finance Management Act, Act 1 of 1999

4.6. Treasury Regulations

4.7. MICT SETA's Supply Chain Policy

4.8. MICT SETA's Fraud Prevention Policy

4.9. MICT SETA's Code of Conduct

4.10. MICT SETA's Code of Ethics

### 5 DEFINITIONS

#### 5.1. WHAT IS A "WHISTLE-BLOWING"

Whistle-blowing means that one blows a whistle to alert others to a misconduct that has taken place or is taking place in MICT SETA. Whistle-blowing is important because it can be seen as serving as an early warning system to avert possible risks to MICT SETA. An effective policy to encourage whistle-blowing enables employers to find out when something is going wrong in time to take the necessary corrective action.

5.2. **BREACH OF FIDUCIARY DUTY** occurs when employees in position of trust like management act for their self-interest than the interest of the organisation. It also includes disclosing confidential or proprietary information to outside parties for financial or other



advantage.

- 5.3. BRIBERY** is defined as the giving or receiving something of value to influence an official act. Value is not limited to cash or money. Courts have held that such things as lavish gifts and entertainment, payment of travel and lodging expenses, payment of credit card bills, “loans”, promises of future employment, and interests in business can be bribes if they were given or received with the intent to influence or be influenced.
- 5.4. CONFLICT OF INTEREST** is a situation where an official intentionally participates in a transaction in which he has a personal interest or his close friend or relatives have an interest. This results in a profit being made from insider knowledge.
- 5.5. CORRUPTION** is defined as the giving of direct or indirect compensation to whom it is not due, for something he should not do or not doing something he should do.
- 5.6. DISCLOSURE** means any disclosure of information regarding the conduct of an employer, or an employee of that employer, made by an employee who has reason to believe that the information concerned shows or tends to show one or more of the following is or has taken place:
- That a criminal offence has been committed, is being committed or is likely to be committed;
  - That a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject;
  - That a miscarriage of justice has occurred, is occurring or is likely to occur;
  - That the health or safety of an individual has been, is being or likely to be endangered;
  - That the environment has been, is being or is likely to be damaged;
  - Unfair discrimination as contemplated in the Promotion of Equality and Prevention of Unfair Discrimination Act, No. 4 of 2000; or
  - That any matter referred to above has been, is being or likely to be deliberately concealed.
- 5.7. FRAUD** is defined as the unlawful making, with intent to defraud, of a misrepresentation, which causes actual or which is potentially prejudicial to another.



**5.8. THEFT OF MONEY OR PROPERTY** occurs where employees take office supplies and equipment for private use, steal company funds or take unauthorised leave.

**5.9. NON-COMPLIANCE WITH COMPANY POLICIES AND PROCEDURES** occurs when employees exploiting opportunities like lack of internal controls to act against company policy counting on not being detected by relevant authorities.

**5.10. OCCUPATIONAL DETRIMENT** means in terms of Section 1 of the Act:

- Any disciplinary action,.
- Dismissal, suspension, demotion, harassment or intimidation
- Transfer against your will or refusal for such transfer or promotion
- Changes in terms or conditions of employment or retirement which is altered, or kept altered, to your disadvantage;
- Refusal for a reference, or being provided with an adverse reference, from your employer.
- Being denied appointment to any employment, profession or office;
- Being threatened with any of the actions mentioned above; or
- Being otherwise adversely affected in respect of his or her employment, profession or office, including employment opportunities and work security.

**5.11. PROTECTED DISCLOSURE** mean if the correct procedure has been followed to disclose the misconduct.

## **6 WHY DO WE NEED TO WHISTLE BLOW?**

**6.1.** The following acts of misconduct are very common in the workplace today: Fraud, corruption, bribery, conflict of interest, theft of property or money, non-compliance with company policies and procedures and breach of fiduciary duty.

**6.2.** It is therefore important for all employees to be aware of what these criminal acts are, be able to identify them and to report them to the relevant authorities.



## **7 HOW TO REPORT AN ISSUE**

Disclosures can be made by telephone, fax, e-mail or the web-enabled system. All cases reported, whether having been investigated by internal auditors or not, will be reported to MICT SETA's Audit committee.

## **8 TOLL FREE ANTI-CORRUPTION HOTLINE NUMBER**

MICT SETA employees and stakeholders can also contact the toll free Anti-Corruption hotline at 0800 701 701 to report on any misconduct that they are aware of.

## **9 HOW TO ESCALATE IF MATTER IS NOT RESOLVED SATISFACTORILY**

Persons making disclosures have a right to escalate the matter to the CEO in the event that they are not satisfied that the issue raised has been addressed. If the allegations are against the CEO then the matter should be reported to the MICT SETA Board Chairperson by way of the Board Secretary.

## **10 ASSURANCE TO EMPLOYEES**

Any disclosure made in good faith and substantially in accordance with any procedure prescribed by the employee's employer for reporting is considered a protected disclosure under the Act. An employee making a protected disclosure is protected from any occupational detriment on the basis of the disclosure.

## **11 MANAGEMENT ROLES**

- 11.1.** It is the responsibility of all managers to ensure that all employees are made aware of, and receive appropriate training and education with regard to this policy.
- 11.2.** Managers at MICT SETA are required to ensure that the organisation does not suffer losses and / or damages as a result of fraudulent and impropriety activities.



- 11.3.** All managers are responsible for the detection, prevention and investigation of fraud and corruption.
- 11.4.** All managers must report all incidents and allegations of fraud and corruption to the CEO. In the event that the allegations are against the CEO then the matter should be reported to the MICT SETA Board Chairperson by way of the Board Secretary.
- 11.5.** The CEO will initiate an investigation into the matter.
- 11.6.** All managers should discourage employees from making false allegations. False allegations may be the subject of disciplinary / other action.

## **12 CREATING AWARENESS**

The following will increase the prospect of fraud and corruption being reported and improve MICT SETA's prevention and detection ability.

- Posters, newsletters, pamphlets and other publications to advertise the Code and the Fraud Policy,
- Screensavers on computers with appropriate anti-fraud and corruption and pro-ethics messages;
- Attachments to tender invitation documents relating to the MICT SETA's stance to fraud and corruption;
- Appropriate attachments to offers of employment and inclusion of appropriate items in induction and training programmes;
- Prudent terms in contracts signed with providers of goods and / or services relating to offering of gifts to employees of the MICT SETA;
- Ensuring that fraud and corruption prevention is a fixed agenda item in meetings;
- Signing of declarations of commitment by all employees to the Plan; and
- Endorsements of correspondence directed at providers of goods and / or services with anti-fraud and corruption and pro-ethics messages.



### 13 WHAT MOTIVATES EMPLOYEES TO COMMIT FRAUD?

The following are listed as nine motivators that make people commit fraud:

- Living beyond means;
- Overwhelming desire for personal gain and wealth;
- High personal debt;
- Close association with customers;
- Pay not commensurate with job;
- Strong challenge to beat the system;
- Excessive gambling;
- Family and peer pressure; and
- Extra marital relationships.

### 14 HOW CAN I TELL IF ANOTHER EMPLOYEE IS COMMITTING FRAUD?

If a co-employees seems to be living beyond his or her salary or combined salary with his or her partner, that is usually the most common indicator of fraud or a Red flag. You notice that they live beyond their salary if:

- They provide Continuous Lavish entertainment to friends and colleagues;
- They have Luxury cars;
- They are Excessive Drinkers;
- They like to Work alone, and work late;
- Their life style upgraded without justifiable source of income;
- They have holidays in expensive destinations;
- Their Children are attending an expensive school without justifiable source of income;
- They are easily upset and defensive;
- They give explanations without being asked to do so;
- They are agitated when auditors have arrived;
- They give auditors unreasonable deadlines to complete their work;
- They do not normally go on leave; and
- Even when they are overloaded with work they are unwilling to delegate lest somebody will discover what they do.



## 15 MICT SETA WHISTLE- BLOWING POLICY STATEMENT

In protecting whistle-blowers from being subjected to an *occupational detriment* MICT SETA hereby confirmed the following:

- The Organisation takes all malpractice very seriously, whether it is committed by an employee, supplier customer, competitor or contractor;
- This policy applies to all fixed terms employees, Independent Contractors, suppliers and contractors; and
- The Policy is intended to complement statutory protection and, for the avoidance of doubt, statutory rights will not be affected in any way by this policy.

## 16 MONITORING, EVALUATION AND REPORTING

The Internal Audit will monitor this policy in conjunction with the Fraud Prevention policy, Fraud prevention plan, Code of Conduct, Code of Ethics and the Risk Strategy. Internal Audit will in turn report and make recommendations to management, and will also report to the Audit and Risk committee.

## 17 REVIEW OF THE POLICY

This policy shall be reviewed on an annual basis.



<b>AMENDMENT HISTORY</b>			
<b>Policy Number</b>	<b>Version Number</b>	<b>Description</b>	<b>Revision Date</b>
POL-CORP-WB-01	1.0	Original document	23 August 2007
POL-CORP-WB-01	1.1	Revised Policy	20 May 2011
POL-CORP-WB-01	1.2	Revised Policy	02 July 2012
POL-CORP-WB-01	2.0	Point 9 updated to include "If the allegations are against the CEO then the matter should be reported to the MICT SETA Board Chairperson"	30 October 2013
POL-CORP-WB-01	3	Policy updated to simplify the process	1 June 2016